



## Rent a Room Relief

Given the huge shortage of rental accommodation and the ever-increasing price of private rental accommodation, anyone looking for an extra income stream should consider this as an option.

### What is the Rent a Room Scheme:

- This scheme allows people to rent a room(s) in their home and the income you earn from it may be tax free.
- There is an income limit that you must not exceed to remain tax exempt.
- If you exceed the limit the entire income from the room(s) rental will be taxable.

### What are the Exemption Limits ?

If you decide to rent a room(s) in your home, the income limit is based on the gross amount of income received for the room(s). This is the total income before you deduct any allowable expenses.

If your gross rental income falls below the thresholds set out below, you will not be liable for Income Tax, PRSI or USC on the rental income.

Year	Exempt Income €
2014	10,000
2015	12,000
2016	12,000
2017	14,000

Remember that if you had income from renting a room during the past 4 years and paid tax on it you can claim relief for those years retrospectively.

### Qualifying property types

The room must be either;

- In your principal residence- you don't have to be the home owner to claim the relief.

- a self-contained unit within the house, e.g. a converted garage or a basement flat- NB -if it's not attached to your property it will not qualify for the rent a room relief.

NB: Using the room(s) for short term lets is not permissible, it must be used for a long term let.

Rooms used for business purposes such as online lettings or guest accommodation do not qualify for the relief.

### How do I claim Rent a Room Relief?

- This is quite a simple process. You must use the Revenue Online Service(ROS) if you are a self-assessed taxpayer and enter the amount of income from the room(s) rental on your Form11.
- If you are a PAYE worker the you must use the MyAccount facility online and enter the rental income from the room(s) on your Form12.
- If you decide you do not wish to claim the relief, you must request this in writing on or before your tax return's filing date.

### Are there any other conditions?

You cannot claim the rent a room relief against income received for the use of the room(s) by any of the following persons:

- your child
- your civil partner
- your employer
- an employee
- short term guests

### CONTACT US TODAY

Find out how we can help you to extend your home without extending your budget.

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